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General
Approval

090373



REPORT OF THE
COMPTROLLER GENERAL
OF THE UNITED STATES

RELEASED

Office Of Education
Contracts With Consultants,
Experts, And Consulting Organizations

Department of Health, Education, and Welfare

AUG. 28. 1975

MWD-76-11

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COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

B-164031(1)

CHK
The Honorable Claiborne Pell
Chairman, Subcommittee on Education
Committee on Labor and Public Welfare *S. 1104*
United States Senate

Dear Mr. Chairman:

Your July 30, 1974, letter requested fiscal year 1973 and 1974 data on the Office of Education's use of (1) funds to support, conduct, and enable a substantial number of employees to attend conferences, seminars, and training sessions and (2) consultants, experts, and consulting organizations in lieu of Federal employees. *55*

Our June 16, 1975, letter to you provided information regarding conferences, seminars, and training sessions, including information requested by your office subsequent to your initial request.

This letter addresses the remainder of your request and provides information on the purpose, justification, and results of 12 selected Office of Education contracts as requested by your office at a May 19, 1975 meeting. Your office asked that at least one contract with each of the following contractors be included:

- Aries Corporation;
- Battelle Memorial Institute;
- Joseph Froomkin, Inc.;
- Mail America;
- The Rand Corporation; and
- a State education agency.

The remaining six contracts were selected primarily on the basis of funding significance.

*Consultants
contract admin. costs
eval. costs
contract costs*

We interviewed Department of Health, Education, and Welfare officials; reviewed Department, Office of Education, and Civil Service Commission policies and regulations; and examined Office of Education contract data.

USE OF CONSULTANTS, EXPERTS, AND
CONSULTING ORGANIZATIONS IN LIEU
OF FEDERAL EMPLOYEES

Section 15 of the Administrative Expenses Act (5 U.S.C. 3109) provides that Federal agency heads may contract for the services of experts, consultants, and consulting organizations when authorized by appropriation or other act. Annual appropriation acts and continuing resolutions provided authority for the Office of Education to contract for such services in fiscal years 1973 and 1974.

Civil Service Commission policy states, however, that contracts which, in their substantive effect, create an employer-employee relationship between contractor personnel and the Government are prohibited by personnel laws. Department policy statements and Office of Education directives cite the following elements, present either in the terms of a contract or in its performance, as a basis for questioning the propriety of contracts in relation to the personnel laws.

1. Performance onsite (that is, in space provided by an agency).
2. Principal tools and equipment furnished by the Government.
3. Services applied directly to an integral effort of an agency or its organizational subpart in furtherance of assigned function or mission.
4. Need for the type of service can reasonably be expected to last beyond 1 year.
5. The Government supervising the contractor, or the inherent nature of the service--or the manner in which it is provided--reasonably requires, directly or indirectly, Government direction or supervision of contractor employees to

- a. adequately protect the Government's interest,
 - b. retain control of the function involved, and
 - c. retain full personal responsibility in a duly authorized Federal officer or employee for the function supported.
6. The contractor supervising the work of regular Federal employees.
 7. The contractor filling a position which calls for a full-time continuing employee.
 8. Avoiding competitive hiring practices, personnel ceiling limitations, or General Schedule pay limitations.

These elements vary in importance in determining whether an employer-employee relationship exists. The Department procurement manual states:

"The spirit and purpose of the contract, as well as its letter, must be considered in the interpretation and application of the contract. For example, Government supervision and control of the contractor's employees, if sufficient in degree, may alone create an employer-employee relationship and render the services personal in nature."

In addition, the presence of element 7 or any of the aspects of element 8 is very important. For example, Civil Service Commission regulations state:

"The improper employment of experts and consultants is not only illegal, it is wasteful and destroys the morale of career specialists. Examples of improper employment of an expert or a consultant are: To do a job that can be done as well by regular employees, do a full-time continuous job, avoid competitive employment procedures, avoid General Schedule pay limits."

We asked the Office of Education to provide us with the names of all consultants, experts, or private organizations

employed under a contract or purchase order containing any of the above elements to a substantial degree for fiscal years 1973 and 1974. The Office's Deputy Commissioner for Management forwarded the requested information, stating that, in most cases in which he cited elements 4, 5, 7, and 8, the following interpretations applied:

- Element 4: The services are needed each year but are performed only when needed.
- Element 5: The inherent nature of the service requires instructions on the review criteria and the availability of technical assistance. Actual supervision is minimal.
- Element 7: The specific expertise required was not available within either the Office or the Department.
- Element 8: Work volume far exceeded the Office's manpower availability and financial limitations.

The table below summarizes the number of elements present to a substantial degree in 237 Office of Education service contracts totaling about \$39 million.

<u>Number of elements</u>	<u>Fiscal year</u>		<u>Total</u>
	<u>1973</u>	<u>1974</u>	
Five or more	16	11	27
Four	2	-	2
Three	2	5	7
Two	60	79	139
One	<u>20</u>	<u>42</u>	<u>62</u>
Total	<u>100</u>	<u>137</u>	<u>237</u>

Elements 7 and/or 8, which are considered important in themselves, were present in 25 of the 27 contracts containing 5 or more elements and in 1 of the 2 contracts containing 4 elements. The remaining 211 contracts contained 1 or more of elements 1 through 5.

We did not evaluate the justifications for the 237 contracts and, therefore, have drawn no conclusions on their propriety.

Further details on the contracts, including the elements present, the contractor, the cost in fiscal years 1973 and 1974, and the organizational unit within the Office of Education that contracted for the services, are provided in appendixes I and II.

PURPOSE, JUSTIFICATION, AND
RESULTS OF SELECTED CONTRACTS

We obtained information from Office of Education officials on the following 3 questions for 12 contracts selected from those shown in appendixes I and II.

--What was the purpose of the contract?

--What is the justification for the Office awarding the contract instead of performing the work in-house?

--What did the contractors actually do (that is, what were or will be the results of the contract)?

Regarding the second question, Office of Planning officials provided elaboration and stated the following in reference to the five contracts selected for which that organization has responsibility.

--First, Section 416 of the General Education Provisions Act (20 U.S.C. 1226(b)) provides legislative authorization for the Secretary of Health, Education, and Welfare to make grants and to contract for procuring services related to planning and evaluation. Each year the Office of Education appraises the Appropriations Committees of each House of Congress of specific plans for the contractual performance of evaluations and appraises the House Education and Labor and the Senate Labor and Public Welfare Committees of the actual performance of evaluations in the annual Evaluation Report required by section 417(a)(1) of the General Education Provisions Act (20 U.S.C. 1226(c)).

--Second, conducting all studies and analyses required by each year's evaluation program solely with employees in-house would require a substantial addition to the Office of Education's personnel ceiling (estimated, for example, at an additional 300-350 employees to support fiscal year 1975 in-house performance). In addition,

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performing such evaluations only with employees would have another drawback--the mix of talents and skills required changes from year to year, as assistance programs under evaluation change. This would make it difficult to maintain a work force matching the needs of the work.

--Third, objectivity can be improved through contracting. The use of contractors allows the work to be done by disinterested persons.

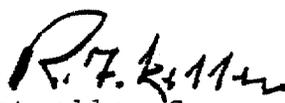
For these reasons, the Office of Education and the Department, with the concurrence of the Office of Management and Budget, have concluded that it is to the Government's advantage to contract evaluation services from time to time under competitive procurement procedures.

Information on the purpose, justification, and results of the 12 contracts is provided in appendix III.

As requested, we did not obtain written comments on this report from the Department.

Sincerely yours,

Acting


Comptroller General
of the United States

SELECTED OFFICE OF EDUCATION CONTRACTS WITH
CONSULTANTS, EXPERTS, AND PRIVATE ORGANIZATIONS

FISCAL YEAR 1973

Elements present in contract (note a)	<u>Name of contractor</u>	<u>Cost (note b)</u>	<u>Organizational unit</u>
Five elements or more:			
1, 2, 3, 4, 5, and 7	Mail America	\$ 162,000	Office of Management
1, 2, 3, 4, and 5(a)(b)(c)	John Henderson & Co.	121,307	"
1, 2, 3, 4, and 8	Pinkerton Computer Consultants	115,700	"
"	PSI-TRAN Corp.	97,000	"
"	Value Engineering Co.	98,920	"
"	Informatics, Inc.	110,900	"
"	Genasys Corp.	96,000	"
"	GTE Information Sys- tems	96,000	"
"	Infodata Systems, Inc.	125,498	"
1, 2, 3, 7, and 8	Applied Data Research	14,500	Bureau of Postsecondary Education
"	Boeing Computer	24,771	"
"	Aries Corp.	52,077	"
"	Systems Management Associates	13,728	"
"	Programming Methods Inc.	59,730	"
"	Programming Methods Inc.	41,517	"
"	Data Applications Inc.	3,384	"
Four elements:			
1, 2, 3, and 5	Ed Cherian and Associates	(c)	Office of Indian Education
1, 3, 4, and 7	Automated Information Data Systems	808,600	Office of Guaranteed Student Loans
Three elements:			
1, 2, and 4 3, 4, and 5	Esther Ruth Perling Small Business Adminis- tration (CPI As- sociates, Inc.)	10,500 325,000	Bureau of School Systems Office of Indian Educa- tion
Two elements:			
4 and 5	Super Service, Inc.	40,000	Office of Management
1 and 3	John Joseph Walsh	4,720	Bureau of Occupational and Adult Education
"	Henry W. Asbill	400	"
1 and 4	Programming Methods Inc.	96,000	Office of Guaranteed Student Loans
3 and 4	Michael J. Wargo	4,740	Office of Planning
"	G. Kasten Tallmadge	4,295	"
"	Robert Clayton	2,400	"
"	Martin Krakowski	2,500	"
"	"	2,500	"
"	Vincent Tinto	2,500	"
"	William C. Morsch	2,450	"
"	Daniel Rosemergy	5,000	"
"	Louis J. Rubin	2,400	"
"	"	2,332	"
"	John M. B. Edwards	9,560	"
"	Walter W. McMahon	9,000	"
"	Adt Associates	778,587	"
"	"	291,187	"
"	American Institutes for Research	249,846	"
"	"	1,900	"

Elements present in contract (note a)	Name of contractor	Cost (note b)	Organizational unit
3 and 4	Battelle Memorial Institute	\$ 52,585	Office of Planning
"	Mark Battle Associates	174,477	"
"	Albert E. Beaton Associates	4,000	"
"	College Entrance Ex- amination Board	3,850	"
"	Contemporary Research, Inc.	58,067	"
"	Development Associates, Inc.	249,965	"
"	"	40,000	"
"	Educational Testing Service	1,843,441	"
"	"	997,934	"
"	"	139,371	"
"	"	2,500	"
"	Exotech Systems, Inc.	304,064	"
"	"	271,630	"
"	"	36,714	"
"	Joseph Froomkin, Inc.	60,916	"
"	General Electric Co.	130,000	"
"	Olympus Research Corp.	259,596	"
"	Pacific Training & Technical Assistant Corp.	98,864	"
"	The Rand Corp.	1,066,250	"
"	Research Triangle Institute	632,369	"
"	Resource Management Corp.	265,559	"
"	"	250,000	"
"	"	1,671	"
"	Stanford Research Institute	2,904,190	"
"	"	450,000	"
"	Stanford University	116,360	"
"	Syracuse University Research Corp.	550,000	"
"	System Development Corp.	1,370,909	"
"	"	981,691	"
"	"	25,818	"
"	"	12,200	"
"	"	5,995	"
"	"	3,800	"
"	Systems Group, Inc.	143,475	"
"	Western Interstate Commission on Higher Education	46,614	"
"	Huron Institute	223,041	"
"	Aspen System Corp.	26,191	Office of Management
3 and 5	Navajo Community College	104,097	Office of Indian Education
"	George Washington University	5,000	"
"	National Indian Education Associa- tion	54,075	"
One element:			
1	General Assistance Center, The Curators of the University of Missouri	349,745	Region VII
"	Iowa State Department of Public Instruction	96,352	"
3	Brandon Applied Systems, Inc.	9,587	Office of Management

<u>Elements present in contract (note a)</u>	<u>Name of contractor</u>	<u>Cost (note b)</u>	<u>Organizational unit</u>
3	George Perry	\$ 1,185	Office of the Com- missioner
"	Sister Mary Hampton	822	"
"	Louise Brown	2,500	"
"	Leonard Olquin	2,010	"
"	Edwin E. Cain	2,250	"
"	Ouachita Baptist Universtiy	350,000	Region VI
"	Tulane University	297,626	"
"	University of New Mexico	250,000	"
"	University of Oklahoma	250,000	"
"	University of Texas	794,880	"
"	Louisiana State Depart- ment of Education	175,000	"
"	New Mexico State Depart- ment of Education	115,000	"
"	Oklahoma State Depart- ment of Education	74,600	"
"	Texas Education Agency	184,000	"
"	General American Credits	57,602	Bureau of Post- secondary Educa- tion
4	Information Systems De- velopment	125,332	Office of Guaranteed Student Loans
5	State Board for Voca- tional Education, State Department of Education, Montgomery, Alabama	<u>350</u>	Bureau of Occupa- tional and Adult Education
Total cost		<u>\$20,995,569</u>	

a/See body of report for explanation of elements.

b/Amount obligated in fiscal year 1973.

c/Although fiscal year 1973 funds were obligated under this contract, Office of Education officials were unable to locate contract records.

SELECTED OFFICE OF EDUCATION CONTRACTS WITH
CONSULTANTS, EXPERTS, AND PRIVATE ORGANIZATIONS

FISCAL YEAR 1974

Elements present in contract (note a)	Name of contractor	Cost (note b)	Organizational unit
Five elements or more:			
1, 2, 3, 4, 5(a)(b), and 7	Peat, Marwick, Mitchell & Co.	\$ 232,766	Office of Management
1, 2, 3, 4, 5, and 6	Mail America	165,000	"
1, 2, 3, 4, and 5(a)(b)(c)	John Henderson and Co.	308,494	"
1, 2, 3, 4, and 8	Pinkerton Computer Consultants	165,527	"
"	PSI-TRAN Corp.	45,500	"
"	Value Engineering Co.	67,239	"
"	Genasys Corp.	192,000	"
"	Informatics, Inc.	100,600	"
"	GTE Information Systems	517,409	"
"	Infodata Systems, Inc.	319,269	"
1, 2, 3, 7, and 8	Computer Sciences Corp.	184,989	Bureau of Postsecond- ary Education
Three elements:			
1, 2, and 4	Esther Ruth Perling	9,450	Bureau of School Systems
1, 3, and 5	Pinkerton Associates	49,734	Office of Indian Education
"	Mark Battle Asso- ciates	54,866	"
"	Toni W. Linder	7,200	Region VIII
3, 4, and 5	Small Business Ad- ministration (CPI Associates, Inc.)	244,981	Office of Indian Education
Two elements:			
1 and 2	McKinsey and Co., Inc.	24,500	Office of Management
4 and 5	Super Service, Inc.	172,000	"
1 and 3	James Segear	850	Bureau of Occupational and Adult Education
"	Jack Michie	12,420	"
"	Arthur Young & Co.	82,291	Office of Management
3 and 4	Jimmie C. Fortune	573	Office of Planning
"	Ann M. Bezdek	2,175	"
"	"	1,415	"
"	"	1,088	"
"	"	1,040	"
"	Alexander M. Mood	1,200	"
"	Robert C. Hardy	360	"
"	Jeffrey W. Eiseman	900	"
"	Allen S. Cohen	70	"
"	Janice K. Anderson	2,445	"
"	"	499	"
"	Sylvia T. Johnson	350	"
"	Thomas Mason	2,420	"
"	Vaughn E. Huckfeldt	2,450	"
"	Harold L. Hodgkinson	660	"
"	Richard Tombaugh	1,000	"
"	George Beatty	1,385	"
"	Jack G. Kaplan	1,900	"
"	Wayne Kirichling	2,000	"
"	Vincent Tinto	1,500	"
"	Stephen P. Dresch	700	"
"	William Adrian	235	"
"	George M. Vredevelde	500	"
"	Daniel Rosemergy	750	"

Elements present in contract (note a)	Name of contractor	Cost (note b)	Organizational unit
3 and 4	Ernest J. Mosback	\$ 1,380	Office of Planning
"	Walter LeBaron	2,500	"
"	Harvey E. Brazer	5,000	"
"	Abt Associates	46,876	"
"	"	4,941	"
"	American Institutes for Research	685,000	"
"	"	97,987	"
"	Arthur D. Little, Inc.	149,894	"
"	College Entrance Examination Board	10,110	"
"	"	6,619	"
"	"	6,390	"
"	Consad Research Corp.	49,923	"
"	Development Asso- ciates, Inc.	9,912	"
"	"	3,618	"
"	Educational Testing Service	35,193	"
"	Education Turnkey Systems	896	"
"	Higher Education Research Institute	93,059	"
"	Huron Institute	248,114	"
"	Kirshner Associates	177,300	"
"	National Academy for Public Administra- tion Foundation	83,810	"
"	Olympus Research Corp.	390,711	"
"	"	6,300	"
"	Pacific Training & Technical Assis- tance Corp.	259,500	"
"	"	241,490	"
"	Planar Corp.	8,778	"
"	The Rand Corp.	238,095	"
"	"	45,000	"
"	Research Triangle Institute	46,709	"
"	Resource Management Corp.	160,000	"
"	"	132,849	"
"	"	18,474	"
"	Stanford Research Institute	2,770,900	"
"	"	829,228	"
"	Syracuse University Research Corp.	47,912	"
"	System Development Corp., Virginia and California	1,421,432	"
"	"	1,067,568	"
"	"	10,500	"
"	Systems Group, Inc.	39,256	"
"	Technology Manage- ment Corp.	15,924	"
"	Payco American As- sociation	59,231	Bureau of Postsecond- ary Education
"	Computer Operating Services	300,500	Office of Guaranteed Student Loans

APPENDIX II

APPENDIX II

Elements present in contract (note a)	Name of contractor	Cost (note b)	Organizational unit
3 and 5	LSI Corp.	55,175	Bureau of Occupational and Adult Education
"	Development Associates, Inc.	44,990	"
"	Peat, Marwick, Mitchell & Co.	2,500	"
"	Policy Studies in Education	24,701	"
"	Social Educational Research and Development, Inc.	2,125	"
"	B. Alden Lillywhite	3,700	Office of Indian Education
"	Vine Deloria, Jr.	15,950	"
"	Communication Technology Corp.	73,997	"
"	Small Business Administration (ACKCO, Inc.)	100,000	"
One element:			
1	General Assistance Center, The Curators of the University of Missouri	545,308	Region VII
"	Missouri State Department of Education	71,172	"
"	Nebraska State Department of Education	72,292	"
"	Iowa State Department of Public Instruction	111,739	"
"	Cresap, McCormick and Paget	19,875	Office of Guaranteed Student Loans
"	Automated Information Data Systems	1,010,000	"
3	Arvonne Fraser	2,000	Bureau of Occupational and Adult Education
"	Theodor Schuchat	2,500	"
"	Marvin Feldman	2,000	"
"	Stanley Cramer	1,800	"
"	Gordon Swanson	1,800	"
"	Edwin Herr	1,500	"
"	Garth Mangum	2,000	"
"	JoAnn Chenault	2,500	"
"	Rupert Evans	2,000	"
"	Cass Heilman	2,000	"
"	Marla Peterson	1,500	"
"	Samuel Burt	1,500	"
"	Brandon Applied Systems, Inc.	21,215	Office of Management
"	Seymore Systems	48,625	"
"	Yvonne Lanier	2,000	Office of the Commissioner
"	Jack McCurdy	1,100	"
"	Kenneth Wooden	2,500	"
"	Shirley Boes	2,500	"
"	Shirley Jackson	2,500	"
"	Kenneth Johnson	500	"
"	Leonard Pacheco	500	"
"	Jeanne Chall	255	"
"	Roger Farr	310	"
"	Ron Moskowitz	1,950	"
"	Reynolds Ferrante	2,500	"
"	Eugene Allan	2,500	"
"	Ken Goldblatt	750	"

APPENDIX II

APPENDIX II

Elements present in contract (<u>note a</u>)	Name of <u>contractor</u>	Cost (<u>note b</u>)	Organizational <u>unit</u>
3	Ouachita Baptist University	358,742	Region VI
"	Tulane University	298,715	"
"	University of New Mexico	356,000	"
"	University of Okla- homa	242,669	"
"	University of Texas	860,500	"
"	Louisiana State Department of Education	170,811	"
"	New Mexico State Department of Education	120,000	"
"	Oklahoma State Department of Education	90,000	"
"	Texas Education Agency	211,260	"
4	Programming Methods Inc.	<u>209,440</u>	Office of Guaranteed Student Loans
Total cost		<u>\$17,998,045</u>	

a/See body of report for explanation of elements.

b/Amount obligated in fiscal year 1974.

PURPOSE, JUSTIFICATION, AND RESULTSOF SELECTED OFFICE OF EDUCATION CONTRACTS

1. Contractor: Battelle Memorial Institute
Organizational unit responsible: Office of Planning
Cost: fiscal year 1973--\$52,585
- (a) Purpose: To obtain expert, objective, non-Federal guidance to assist the Office of Education in surveying the goals, status, and future of educational broadcasting and to suggest alternative postures on this perspective.

- (b) Justification: Limited personnel with the requisite expertise in both educational broadcasting and planning within the Office of Education; however, even these employees would not have had sufficient time to have conducted this study.

In addition, possible double bias might have occurred if the study were done in-house. First, the personnel who would have been capable were involved programmatically with the area to be studied and perhaps could not have been totally objective. Second, the distinct possibility existed that original data collection would be distorted if potential or actual program recipients were interviewed by Federal program managers.

- (c) Results: The contractor found that,

"* * * it is not possible to present a simple picture * * * educational broadcasting is a melange of activity in pursuit of two ephemeral goals, improved education and a cultural alternative to commercial broadcasting. Style and viewpoint vary widely--ranging from austere intellectual and cultural innovator to entrepreneur and hardware collector."

The contractor stated that its recommendations

"* * * emphasize the critical need for full coverage and competitive technical quality, i.e., a basic distribution system comparable to that of commercial broadcasting * * * we believe that current guidelines must be broadened to

accommodate new technology and methods of instruction. We expect that instructional and public broadcast activities will soon follow distinctly different growth patterns."

The report has been distributed internally and has been published commercially by D.C. Heath and Company. The Office of Education intends " * * * to prepare a Policy Implication Memorandum * * *, to further facilitate implementation of our interpretation of this study."

2. Contractor: Joseph Froomkin, Inc.
Organizational unit responsible: Office of Planning
Cost: fiscal year 1973--\$60,916
 - (a) Purpose: To develop methods of estimating future postsecondary education facility space requirements and to estimate, using these methods, the probable space requirements of different types of institutions, such as public, private, 4- and 2-year institutions (and various sizes of each), through 1990.
 - (b) Justification: Lack of in-house capability to perform the required work. Neither the data processing nor the operations analysis capability in-house were adequate. In addition, Office of Education evaluation offices were not equipped for large-scale data collection and analysis activities.
 - (c) Results: The findings have resulted in direct input into the planning and budgeting process in-house, according to the Office of Education. In addition, the Office of Education plans to distribute the report to Members of the Senate Committee on Labor and Public Welfare and the House Education and Labor Committee and other interested Members of Congress and the educational community. The planning parameters developed under this study will be used in future space-projection models.

3. Contractor: Educational Testing Service
Organizational unit responsible: Office of Planning
Cost: fiscal year 1973--\$1,843,441
 - (a) Purpose: To obtain evaluative information on the effects of the Elementary and Secondary Education Act of 1965, as amended, title I program on the acquisition of reading skills, and to isolate effective compensatory instructional practices so

that this information might be used by State and local school personnel to improve the performance of the program.

- (b) Justification: The Office of Education does not have the numbers and varieties of skilled personnel required to conduct such a study.
- (c) Results: According to the Office of Education, a report on the results of the first phase of the study was made available some 15 months ago. The Office has internally reviewed a draft of the second phase of the study and given the contractor suggestions for further analysis of some of the data and rewriting the draft. The contractor is completing this work. A report on the last phase of the study will become available in December 1975. Upon completion of the study a complete set of the technical reports will be given to each State's title I evaluation unit and one set will be deposited in the Educational Resources Information Centers (ERIC). A nontechnical summary of the reports will be circulated to the Congress, appropriate Office of Education personnel, and upon request, local education agency personnel and the general public. Briefings on the study's progress and findings have been and will continue to be given to the Office's title I staff and be available at regional meetings of the title I coordinators. The results will be incorporated in the annual evaluation report to the Congress. A paper, based on the results, will be prepared suggesting changes in program management. The results will also be used to guide and shape future program evaluations in this area.

4. Contractor: The Rand Corporation
Organizational unit responsible: Office of Planning
Cost: fiscal year 1973--\$1,066,250

- (a) Purpose: To examine the projects funded by four Federal elementary and secondary education programs to determine

--how school districts select, introduce, implement, incorporate, and spread different kinds of innovations;

--how Federal policies affect project outcomes;
and

--whether projects are continued after Federal
funds are withdrawn.

The four Federal programs are: the Elementary and Secondary Education Act of 1965, as amended; title III innovative projects and title VII Bilingual Education programs; the Vocational Education Act of 1963, as amended, part D Exemplary program; and the Right to Read program.

- (b) Justification: The Office of Education does not have enough staff members to evaluate elementary and secondary education programs in-house.
- (c) Results: According to the Office, a first-phase report has been completed which describes the findings relating to the process of how school districts implement innovative change. The second report, due in September 1976, will discuss what happens to projects after Federal funds are withdrawn.

At the end of the study a policy implications paper, which will be coordinated with affected Office of Education bureaus and offices and approved by the Commissioner of Education, will be written discussing what action should be taken in light of the study's findings.

5. Contractor: System Development Corporation
Organizational unit responsible: Office of Planning
Cost: fiscal year 1973--\$1,370,909
fiscal year 1974--\$1,421,432

- (a) Purpose: To conduct a national evaluation which focuses on an integrated evaluation of the basic and pilot programs of the Emergency School Aid Act and has the following as general objectives:

--Determination of the short- and long-term national impact of the program in terms of the act's objectives--namely, reduction of minority group isolation, elimination of discrimination, and improvement of basic skills in elementary and secondary schools.

- Identification and description of the needs of students in or from minority isolated schools; the characteristics of local programs, including their resource allocation's relationship to needs; and the interrelationships of those factors with program impact.
 - Documentation and dissemination of information relating to unusually successful local programs and program components that appear to be related to success.
 - Determination of the relative effectiveness of three forms of educational intervention--desegregation, compensatory education, and their combination--as compared to no special intervention in minority isolated schools.
 - Investigation of the relationships among regular school expenditures, supplementary Emergency School Aid Act expenditures, and program impact in an attempt to determine local program cost/effectiveness and the minimum supplemental expenditures necessary to insure some measure of program success.
- (b) Justification: The Emergency School Aid Act authorizes a national evaluation of its programs which is supported by an annual 1-percent reservation of funds appropriated to carry out the act.
- (c) Results: Data is being collected over a period of 2 to 3 school years from a nationally representative sample of school districts funded under the act.

About 9 months after posttest data collection each year in March of 1975, 1976, and 1977, the contractor, in conjunction with the Office of Education, will produce evaluation reports summarizing the act's impact. Each report succeeding the first will address the subjects of cumulative impact and comparative impact after successive years of program implementation.

The Emergency School Aid Act evaluation design has a combination of features that make it an advance in the state of the art in national evaluation, according to the Office of Education. Office officials expect that the particular combination of design features that constitute the national evaluation

of the act will result in less ambiguous results than previous national evaluations and a firmer basis upon which the Congress and the administration can judge the act's ultimate effectiveness.

6. Contractor: Mail America

Organizational unit responsible: Office of Management

Cost: fiscal year 1973--\$162,000

fiscal year 1974--\$165,000

(a) Purpose: To disseminate publications and other information which the Office of Education requests. This includes

--mailing forms, questionnaires, and other printed materials, as well as handling most of the student loan mailings;

--storing Office of Education printed materials for future mailings; and

--typing labels to be used for mailings.

(b) Justification: A lack of personnel in-house to perform the large number of mailings and a lack of facilities for mailing. Although it would be possible for the Office of Education to perform these activities, performance in-house would necessitate hiring personnel and acquiring or renting facilities.

(c) Results: According to an Office of Education official, the contractor adequately performed the tasks summarized above.

7. Contractor: GTE Information Systems

Organizational unit responsible: Office of Management

Cost: fiscal year 1973--\$96,000

fiscal year 1974--\$517,409

(a) Purpose: This task-order contract is for existing computer system "maintenance work" (that is, to correct deficiencies, make minor enhancements, and document these changes). The contract relates to computer systems design, analysis, and programing.

(b) Justification: The Office of Education does not have the necessary personnel available, and personnel ceiling limitations prevent the necessary manpower from being hired.

(c) Results: The contractor performed the work described above, primarily for the computerized Guaranteed Student Loan System, accomplishing the maintenance tasks in a satisfactory manner, according to the Office of Education.

8. Contractor: Aries Corporation
Organizational unit responsible: Bureau of Postsecondary
Education
Cost: fiscal year 1973--\$52,077

(a) Purpose: To create a computerized data base to establish eligibility and accreditability of post-secondary institutions.

(b) Justification: An insufficient number of automatic data processing staff members. Personnel ceiling limitations were in effect and mandatory General Schedule pay limitations were imposed. These restraints necessitated outside contractual support. According to an Office of Education official, competitive hiring practices were in no way avoided.

(c) Results: The contractor completed coding and entering into the computer about 5,000 records of the Accreditation and Institutional Eligibility Staff data base. This staff, located in the Bureau of Postsecondary Education, deals with various accreditation and eligibility matters. Coding of the records required locating the proper institution folder, extracting the information, entering the information in the automatic data processing system, reviewing edit lists, and making any necessary corrections. Modifications were also made to improve the functioning of the Accreditation and Institutional Eligibility Staff data processing system.

9. Contractor: Automated Information Data Systems
Organizational unit responsible: Office of Guaranteed
Student Loans
Cost: fiscal year 1973--\$808,600
fiscal year 1974--\$1,010,000

(a) Purpose: The contract provides for services and materials required to (1) receive, control, and process source documents in the computerized system that supports the Guaranteed Student Loan program, (2) deliver appropriate machine-sensitive data (magnetic tapes and tabulating cards) which will be

entered as transactions to the system, and (3) perform related research and corrective actions. These include

- receipt and control, including separation of documents into work batches;
- keying of documents into machine-sensitive form;
- error review and correction for documents rejected by computer validation;
- mailing of selected error documents to the originating offices (lenders, schools, guarantee agencies) under Office of Education-established guidelines;
- storage of documents; and
- courier service for the local transportation of materials utilized in the contract.

- (b) Justification: No in-house staff at the Department of Health, Education, and Welfare to perform an operation of this magnitude.
- (c) Results: The contractor is satisfactorily performing the functions listed in the contract work statement and summarized above, according to the Office of Education.

10. Contractor: University of Texas
 Organizational unit responsible: HEW Region VI
 Cost: fiscal year 1973--\$794,880
 fiscal year 1974--\$860,500

- (a) Purpose: Procurement of services for general assistance centers to aid public schools in resolving problems concerning racial desegregation. The contract was let as one way of implementing the provisions of section 403 of the Civil Rights Act of 1964 to render technical assistance in the preparation, adoption, and implementation of plans for the desegregation of public schools to any governmental unit legally responsible for operating a public school.

(b) Justification: Several considerations were involved in the decision to award a contract to the University of Texas general assistance center:

- In the development of policy regarding establishment of general assistance centers (originally called "desegregation centers") there was testimony by local school agency representatives to the effect that they would prefer receiving technical assistance in this sensitive area from a nongovernmental or quasi-governmental agency rather than a Federal or State source. Those who so testified preferred not to have to depend either on State education agencies or the Federal Government for technical assistance. Such feelings were an element in the decision not to provide that assistance exclusively in-house.
- The establishment of technical assistance centers at university centers made it possible to quickly draw consultant help from the staffs within the university community.
- Using the "center" approach served to strengthen the competence of a large cadre of State and regional persons in the skills and knowledge needed to provide continuing effective technical assistance when the Government withdraws somewhat from this area of operation.

(c) Results: Provides assistance to State districts in Texas and performs the following activities:

- Makes assessments of needs.
- Modifies administrative structures.
- Modifies curriculum techniques.
- Consolidates student and/or faculty assignments.
- Establishes community relations programs.
- Trains staff.
- Assists in preparing for Emergency School Aid Act projects.

--Provides guidance on implementation of projects under the Emergency School Aid Act.

11. Contractor: Texas Education Agency
 Organizational unit responsible: HEW Region VI
 Cost: fiscal year 1973--\$184,000
 fiscal year 1974--\$211,260
- (a) Purpose: Awarded to provide technical assistance to any school board, municipality school district, or other governmental units in Texas legally responsible for operating a public school or schools in preparation, adoption, and implementation of plans or programs for the desegregation of public schools, in accordance with the Civil Rights Act, title IV, section 403.
- (b) Justification: The contract was awarded to the State education agency because:
- The primary State role in school desegregation is crucial to the ultimate achievement of equal educational opportunities.
 - Such support helps strengthen State education agencies by developing leadership within the State for providing technical assistance to local education agencies.
 - The development of a desegregation unit within the State education agency makes it possible for that unit to coordinate services and programs within the State to aid desegregating districts, as the State education agency carries out its own compliance requirements.
- (c) Results: The contractor visited school districts in Texas to provide assistance in various areas. The subjects of the visits and number of districts visited as of March 31, 1975, were as follows:
- | | |
|--|-----|
| Compensatory education | 92 |
| Student assessment | 114 |
| Extracurricular activities | 120 |
| Explanation of staff hiring and firing | 120 |

Emergency School Aid Act technical assistance:

Monitoring and evaluation visit	97
Technical assistance to individual State districts	18
Regional Emergency School Aid Act conference	1

Complaints:

Discrimination	20
Transfer	4

12. Contractor: Iowa State Department of Public Instruction
Organizational unit responsible: HEW Region VII
Cost: fiscal year 1973--\$96,352
fiscal year 1974--\$111,739

(a) Purpose: To aid the State education agency in carrying out the primary leadership and assistance responsibility which it has in school desegregation matters in the State, in accordance with the Civil Rights Act, title IV, section 403.

(b) Justification: The contract was awarded to the State education agency because:

--The primary State role in school desegregation is crucial to ultimate achievement of equal educational opportunities.

--Such support helps strengthen State education agencies through developing leadership within the State for providing technical assistance to local education agencies.

--The development of a desegregation unit within the State education agency makes it possible for that unit to coordinate services and programs within the State to aid desegregating districts, as the State education agency carries out its own compliance requirements.

- (c) Results: The State education agency is assisting local school districts in the development, adoption, and implementation of effective and nondiscriminatory desegregation plans in order to comply with the State Board of Education's "Policy and Guidelines on Non-Discrimination in Iowa Schools."

Office of Education officials anticipate the following results:

- Several school districts will have developed and adopted nondiscriminatory plans for implementation for school year 1975-76.
- Draft of multiethnic curriculum guidelines will be presented for the State Board's consideration.